



Gregory A. Stuart
Vice President

RECORDATION NO. 14094 Filed 1425

JUL 7 - 1983 - 10 35 AM
INTERSTATE COMMERCE COMMISSION

3-188A053

No. 1
Date JUL 7 1983
Fee \$ 50.00

ICC Washington, D. C.

RECEIVED
FEE COLLECTION
RECORDATION NO. 14094
JUL 7 - 1983 - 10 35 AM
INTERSTATE COMMERCE COMMISSION

Secretary of the Interstate
Commerce Commission
Washington, D. C. 20423

Dear Sir:

Enclosed are the original and two counterparts of certified true copies of an Amendment transmitted to you for recordation pursuant to 49 U.S.C. § 11303 and 49 C.F.R. § 1116, et seq.

Also enclosed is a cashier's check payable to your order for \$50 to pay the required recordation fee.

The names and addresses of the parties to the transaction evidenced by the enclosed Amendment are as follows:

PREVIOUS DEBTOR: C. L. Mike Schmidt
1500 Republic Bank Tower
Dallas, Texas 75201

NEW DEBTOR: Lorraine M. George
3816 Fannin
Houston, Texas 77004

SECURED PARTY: Bank of the Southwest National
Association, Houston
910 Travis Street
Houston, Texas 77002

Attention: Mr. Gregory A. Stuart
Vice President

Secretary of the Interstate
Commerce Commission

June 16, 1983
Page 2

The collateral covered by the enclosed Amendment includes equipment which may be generally described as Railway Equipment, and any leases or other contracts in respect of such Railway Equipment. The Railway Equipment is more particularly described as follows:

One (1) 34,000 gallon nominal capacity tank car,
DOT105A300W, non-coiled and insulated, 100-ton
roller bearing trucks bearing the identification
number LAMX 100.

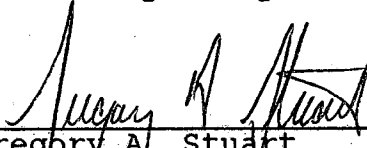
The name and address of the person to whom the enclosed original document should be returned is as follows:

Fulbright & Jaworski
1150 Connecticut Ave., N.W.
Washington, D. C. 20036

Attention: Frank T. Garcia

The undersigned is an executive officer with Bank of the Southwest National Association, Houston, with knowledge of the matters set forth in this letter of transmittal. If there are questions concerning the enclosed, do not hesitate to contact our attorneys, Fulbright & Jaworski, by letter to the above address or collect call to Mr. Frank T. Garcia at (713) 651-5151.

Yours very truly,



Gregory A. Stuart
Vice President

Interstate Commerce Commission
Washington, D.C. 20423

7/7/83

OFFICE OF THE SECRETARY

Fulbright & Jaworski
1150 Connecticut Ave. N.W.
Washington, D.C. 20036

Attn: F.T. Garcia

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **7/7/83** at **10:35am**, and assigned re-recording number(s) - **12683-A released) 14094 (new No)**

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SECURITY AGREEMENT

RECORDATION NO. 14094 FILED 1425

June 16, 1983
(Date)

I. Parties, Collateral, and Obligations

Lorraine M. George JUL 7 - 1983 10 53 AM (hereinafter called "Debtor"), whose street address is

3816 Fannin Houston Harris Texas and whose

mailing address is same (with zip code 77004)

for valuable considerations, receipt of which is hereby acknowledged, hereby grants to Bank of the Southwest

National Association, Houston (hereinafter called "Secured Party"), whose address is

910 Travis	Houston	Harris	Texas
(No. and Street)	(City)	(County)	(State)

a security interest in the following property and any and all additions, accessions and substitutions thereto or therefor, and all proceeds thereof and all monies, income, benefits and products thereof and attributable or accruing thereto, all hereinafter called the "Collateral":

One (1) 34,000 gallon nominal capacity tank car, DOT105A300W, non-coiled and insulated, 100-ton roller bearing trucks bearing the identification number LAMX 100; all of Debtor's accounts, notes, drafts, acceptances, instruments, chattel paper, rights earned or yet to be earned under contracts of sale, lease or rendered services, or general intangibles to or under or in respect to the tank car above described, whether now or hereafter existing; and in all of Debtor's rights, title and interest in and to that one certain Management Agreement by and between LAMCO, Inc. and Debtor, which agreement was initially entered into by and between LAMCO, Inc. and C. L. Mike Schmidt, dated October 31, 1980, and assigned to Debtor, and any amendments and supplements thereto.

The security interest granted herein secures the payment of all liabilities of Debtor to Secured Party (hereinafter called the "Obligations") whether joint or several, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and all renewals, extensions and rearrangements of the above Obligations, and any of the same, including indebtedness evidenced by a promissory note of even date here-

with (hereinafter called the "Note") executed by Debtor in the principal amount of \$ 51,925.00, payable to the order of Secured Party, and including costs and expenses and attorney's fees and legal expenses, all in accordance with the terms of the Note and this Security Agreement.

ment. Unless otherwise agreed, all of the Obligations shall be payable at the offices of Secured Party in Houston
(City)

Harris Texas
(County) (State)

II. Warranties and Covenants Relating to Filing and Collateral

Debtor hereby warrants and covenants that:

- (1) The Collateral is bought or used and will be used primarily for

_____ Personal, family, or household purposes

_____ Farming operations use

 X Business use

and, if checked here X , is being acquired with the proceeds of the advance on the Note, which Secured Party may disburse directly to the seller of the Collateral;

(2) The Collateral shall remain in Debtor's possession or control at all times at Debtor's risk of loss, and shall be kept at the address given in the blank below:

N/A

~~or if left blank at the address first shown for Debtor at the beginning of this Security Agreement; if Debtor is using or will use all or any part of the advances made, obligations incurred, or credit extended by Secured Party to acquire rights in, possession of, or use of any goods included in, or constituting a part of, the Collateral, then Debtor and Secured Party agree and understand that, within thirty (30) days after Debtor first receives possession of such Collateral, such Collateral will be brought to and kept at the address given above in this Section (2), or, if left blank, at the address first shown for Debtor at the beginning of this Security Agreement; and in any event Debtor will promptly notify Secured Party of any change in the above-identified location of all or any part of the Collateral, and Debtor will not move or remove the Collateral or any part thereof from the addresses and places described and specified above without the prior written consent of Secured Party.~~

(3) If the Collateral is bought or used primarily for personal, family, or household purposes, or for farming operations use, Debtor's residence is that shown at the beginning of this agreement and Debtor will not change the location of said residence without first notifying Secured Party in writing of such change in the location of said residence; and, additionally, if Debtor's residence is at any time not located in the State of

Texas, the Collateral is and shall be situated and kept in the following County or Counties in the State of Texas, namely, _____

and no part of the Collateral will be removed from such County or Counties without the prior express written consent of Secured Party and without prior written notice being given to Secured Party.

~~(4)(a) If the Collateral is, or is to be, wholly or partly installed in or affixed to other goods, or if the Collateral is, or is to become, so related~~

N/A

~~and further, then (ii) the Debtor will, on demand of Secured Party, furnish Secured Party either with a written consent to the security interest of Secured Party that recognizes the priority and validity of the security interest of Secured Party or with a written disclaimer of any interest in the Collateral or goods subject to Secured Party's security interest, said written consent or disclaimer to be signed by all persons holding or claiming an interest in such other goods, in such real estate, or in the Collateral or goods subject to Secured Party's security interest, and said written consent or disclaimer to be in such form and to contain such provisions as shall be satisfactory to Secured Party. Unless the blank space above in this paragraph (a) of Section (4) is filled in at the time this Security Agreement is executed, the Debtor warrants and covenants (i) that no part or item of the Collateral is or will be wholly or partly installed in or affixed to any other goods and (ii) that no part or item of the Collateral is or is to be so installed in or so affixed to, or otherwise is now or is to become so related to, any real estate that an interest in the Collateral or any part or item thereof would arise under the real estate law of the state in which such real estate is situated.~~

~~(b) If (and only if) the Collateral either is or is to be wholly or partly so installed in or affixed to particular real estate, or otherwise is or is to become so related to particular real estate, that an interest in the Collateral, or any part or item thereof, arises or would arise under the real estate law of the state in which the real estate is situated, then the Debtor and Secured Party hereby make and enter into the following agreements, understandings, warranties and representations: (i) It is agreed and understood that the Collateral is or includes goods that are or are to become fixtures; (ii) it is agreed and understood that, if this Security Agreement should be filed as a Financing Statement pursuant to the terms of this Security Agreement, then it is to be filed for record in the appropriate real estate records as well as in any other office or place Secured Party may deem appropriate or proper; and further, (iii) the Debtor named herein warrants and represents that the Collateral will be installed in or affixed to only that real property described above in this Section (4); and finally, (iv) the Debtor named herein warrants and represents that said Debtor has an in-~~

~~terest of record in the real estate, and if said Debtor does not have such an interest, that the name of the record owner of the real estate is _____~~

N/A

~~(3) If the Collateral is or includes goods that are equipment and that are mobile and are of a type normally used in more than one state or jurisdiction (such as motor vehicles, trailers, rolling stock, airplanes, shipping containers, road building and construction machinery, and commercial harvesting machinery and the like), then the Debtor is located at the address given in the blank below:~~

or if left blank, at the address first shown for Debtor at the beginning of this Security Agreement, and such address is that of Debtor's only place

of business; provided however, that if one of the following items is checked, then such address is either that of _____ Debtor's chief executive

office if Debtor has more than one place of business, or that of X Debtor's residence (Debtor's residence should be selected only if neither "only place of business" nor "chief executive office" applies); and Debtor further covenants and agrees that Debtor will neither alter or change, allow to be altered or changed, nor allow to become inaccurate in any manner, any of the information given above in this Section (5) without first notifying Secured Party in advance, in writing, of any such change or alteration in any of the information given above, including the location of Debtor and the description applicable to said location, and without further obtaining Secured Party's prior written consent to such change.

(4) If any certificate of title or similar document is, at any time and pursuant to the laws of any jurisdiction, issued or outstanding with respect to the Collateral or any part thereof, Debtor will promptly advise Secured Party thereof, and Debtor will promptly cause the interest of Secured Party to be properly noted thereon, and if any certificate of title or similar document is so issued or outstanding at the time this Security Agreement is executed by or in behalf of Debtor, then Debtor shall have caused the interest of Secured Party so to have been properly noted at or before the time of such execution; and Debtor will further promptly deliver to Secured Party any such certificate of title or similar document issued or outstanding at any time with respect to such goods, chattels, motor vehicles or other property. If any instruments, chattel paper, money or monies, or documents are, at any time or times, included in the Collateral, whether as proceeds or otherwise, Debtor will promptly deliver the same to Secured Party upon the receipt thereof by Debtor, and in any event promptly upon demand therefor by Secured Party.

III. Further Warranties and Covenants of Debtor

Debtor hereby warrants and covenants that:

(1) Except for the security interest granted hereby, Debtor is the owner and holder of all the Collateral free from any adverse claim, security interest, encumbrance, lien, charge or any other right, title or interest of any person other than Secured Party; Debtor has full power and lawful authority to sell, transfer and assign the Collateral to Secured Party and to grant to the Secured Party a first, prior and valid security interest therein as herein provided; the execution and delivery and the performance hereof are not in contravention of any indenture, agreement or undertaking to which the Debtor is a party or by which the Debtor is bound; and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. Any officers, agents or representatives acting for or in behalf of Debtor in connection with this Security Agreement or any aspect thereof, or entering into or executing this Security Agreement in behalf of Debtor, have been duly authorized thereto and therefor, and are fully empowered to act for and represent the Debtor in connection with this Security Agreement and all matters related thereto or in connection therewith.

(2) (a) Debtor has not heretofore signed any financing statement or security agreement which covers any property of Debtor of any kind, real or personal, tangible or intangible, or in which Debtor is named as or has signed as "debtor", and no such financing statement or security agreement is now on file in any public office (other than such financing statements and security agreements, if any, of which both written notice and true and correct copies have heretofore been given by Debtor to Secured Party).

(b) As long as any amount remains unpaid on any of the Obligations or on any indebtedness or liabilities of Debtor to Secured Party, or as long as any credit from Secured Party to Debtor is in use by or available to Debtor, (i) Debtor will not enter into or execute any security agreement or any financing statement other than those security agreements and financing statements in favor of Secured Party hereunder, and further (ii) there will not be on file in any public office any financing statement or statements (or any documents or papers filed as such) other than financing statements in favor of Secured Party hereunder, unless in any case subject to this paragraph (b) the specific prior written consent and approval of Secured Party shall have been obtained.

(c) Debtor authorizes Secured Party to file, in jurisdictions where this authorization will be given effect, a financing statement signed only by Secured Party covering the Collateral. At the request of Secured Party, Debtor will join Secured Party in executing such documents as Secured Party may determine, from time to time, to be necessary or desirable under provisions of the Uniform Commercial Code; without limiting the generality of the foregoing, Debtor agrees to join Secured Party, at Secured Party's request, in executing one or more financing statements in form satisfactory to Secured Party, and Debtor will pay the cost of filing or recording the same, or of filing or recording this Security Agreement, in all public offices at any time and from time to time, whenever filing or recording of any such financing statement or of this Security Agreement is deemed by Secured Party to be necessary or desirable. In connection with the foregoing, it is agreed and understood between the parties hereto (and Secured Party is hereby authorized to carry out and implement the following agreements and understandings and Debtor hereby agrees to pay the cost thereof) that Secured Party may, at any time or times, file as a financing statement any counterpart, copy, or reproduction of this Security Agreement signed by Debtor if Secured Party shall elect so to file, and it is also agreed and understood that Secured Party may, if deemed necessary or desirable, file (or sign and file) as a financing statement any carbon copy of, or photographic or other reproduction of, this Security Agreement or of any financing statement executed in connection with this Security Agreement.

(3) Debtor will not sell or offer to sell or rent, lease, lend, or otherwise transfer or encumber or dispose of the Collateral or any interest therein and will not permit the Collateral to be subjected to any unpaid lien, charge or security interest in favor of any party other than Secured Party, either voluntarily or involuntarily, without the prior written consent of Secured Party.

(4) Debtor will (at Debtor's expense) have and maintain at all times insurance with respect to the Collateral against risks of fire (including so-called extended coverage), theft, and such other risks as Secured Party may require, and in the case of motor vehicles, collision, containing such terms, in such form, for such periods, and written by such companies as may be satisfactory to Secured Party; such insurance shall be payable to Secured Party and Debtor, as their interests may appear, and to no other person or persons without the prior written consent of Secured Party; all policies of insurance shall provide for ten days' minimum written cancellation notice to Secured Party; Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing provisions concerning insurance and the payment of

premiums; and Secured Party may act as attorney for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn by insurers of the Collateral but Secured Party shall not be obligated by this provision so to act; and if, at any time or times, Debtor shall fail to take out or maintain any insurance required under this Security Agreement or under this Article, Secured Party may (but shall not be obligated to do so), without in anywise waiving such default by Debtor, take out or maintain such insurance, and all premiums and other costs paid by Secured Party incident thereto shall upon demand be repayable by Debtor to Secured Party with interest thereon from the date expenditure is made by Secured Party until repaid at the rate of ten percent (10%) per annum and shall be and become a part of the Obligations secured hereby. Any funds or proceeds received by Debtor pursuant to policies of insurance required by this Security Agreement or otherwise obtained by the Debtor with respect to the Collateral shall be received and held by Debtor in trust for Secured Party, shall be paid into a separate deposit account, shall not be commingled with any other funds or accounts, and shall not be disbursed without the prior written consent of Secured Party.

(5) Debtor will keep the Collateral free from any adverse lien, security interest, or encumbrance and in good order and repair and will not waste, destroy, misuse or abuse the Collateral or any part thereof or allow any of same to deteriorate except for normal wear and tear from its normal intended primary use; Debtor will not use the Collateral in violation of any statute or ordinance; and Secured Party may examine and inspect the Collateral at any time, wherever located, and may enter upon any premises where same is situated for such purpose.

(6) Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Security Agreement or upon any note or notes evidencing the Obligations.

(7) If at any time or times Secured Party shall be of the opinion that the Collateral is not sufficient or has declined or may decline in value, or Secured Party shall deem payment of the Obligations to be insecure, then Secured Party may call for additional Collateral satisfactory to Secured Party, and Debtor promises to furnish such additional Collateral forthwith. The call for additional Collateral may be oral or by telegram or by United States Mail addressed to the street or mailing address of Debtor shown at the beginning of this agreement.

(8) At its option Secured Party may use or may permit to be used any insurance proceeds received by Secured Party for the reconstruction or repair of the Collateral without in anywise impairing or affecting its rights hereunder.

(9) At its option Secured Party may at any time or times pay or discharge any taxes or assessments, liens or security interests or other encumbrances at any time levied or placed on the Collateral and any costs, penalties or interest thereon, and shall be the sole judge as to the validity and effect thereof and as to the amount required to discharge same, and may pay for insurance on the Collateral and for costs of maintenance, preservation or repair of the Collateral. In the event Secured Party shall pay any such taxes, assessments, interest, costs, penalties, insurance premiums or expenses pursuant to the foregoing authorization, Debtor, upon demand of Secured Party, shall pay to Secured Party the full amount thereof with interest at the rate of ten percent (10%) per annum from their respective dates of payment by Secured Party until repaid to Secured Party in full, and so long as Secured Party shall be entitled to any such payment, this Security Agreement shall operate as security therefor as fully and to the same extent as it operates as security for payment of the other Obligations due from Debtor, and for the enforcement of such repayment Secured Party shall have every right and remedy provided for enforcement of payment of the Obligations hereunder.

(10) All information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit made or delivered to Secured Party by or on behalf of Debtor prior to, contemporaneously with or subsequent to the execution of this Security Agreement are and shall be true, correct, complete, valid and genuine.

IV. Events of Default

Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions:

(1) Default in the payment when due of the principal of or interest on the Note or on any other of the Obligations;

(2) Failure or refusal of Debtor to perform or observe any of the covenants, duties or agreements herein imposed upon or agreed to be performed or observed by Debtor;

(3) Default in the performance of any agreement or obligation of Debtor or of any maker, endorser, guarantor or surety of any liability or obligation of Debtor to holder of the Obligations;

(4) Any warranty, representation or statement made in this Security Agreement or made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement or to induce Secured Party to make any loan to Debtor proves to have been false in any material respect when made or furnished; or any financial statement of Debtor or of any endorser, guarantor or surety on any of the Obligations which has been or may be furnished to Secured Party by or on behalf of Debtor or such guarantor, endorser or surety shall prove to be false in any materially detrimental respect;

(5) Any deterioration or impairment of the Collateral or any part thereof or any decline or depreciation in the market value thereof (whether actual or reasonably anticipated) which, in the judgment of Secured Party, causes the Collateral to become unsatisfactory as to value or character;

(6) Loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral or the levy of any attachment, execution, or other process against Debtor or any of the Collateral;

(7) Death, dissolution, termination of existence, insolvency, or business failure of Debtor or any endorser, guarantor or surety of any of the Obligations, commission of an act of bankruptcy by, or appointment of receiver or other legal representative for any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency law by or against, Debtor or any endorser, guarantor or surety for any of the Obligations.

V. Remedies

In the event of default in the payment of any of the Obligations or any principal, interest or other amount payable thereunder, when due, or upon the happening of any of the events of default specified above, and at any time thereafter, at the option of the holder thereof, any or all of the Obligations shall become immediately due and payable without presentment or demand or any notice to Debtor or any other person obligated thereon and Secured Party shall have and may exercise with reference to the Collateral and Obligations any or all of the rights and remedies of a secured party under the Uniform Commercial Code as adopted and amended in the State of Texas, and as otherwise granted herein or under any other applicable law or under any other agreement executed by Debtor, including, without limitation, the right and power to sell, at public or private sale or sales, or otherwise dispose of, lease or utilize the Collateral and any part or parts thereof in any manner authorized or permitted under said Uniform Commercial Code after default by a debtor, and to apply the proceeds thereof toward payment of any costs and expenses and attorney's fees and legal expenses thereby incurred by Secured Party and toward payment of the Obligations in such order or manner as Secured Party may elect. Among the rights of Secured Party in the event of default, and without limitation, Secured Party shall have the right to take possession of the Collateral and to enter upon any premises where same may be situated for such purpose without being deemed guilty of trespass and without liability for damages thereby occasioned, and to take any action deemed necessary or appropriate or desirable by Secured Party, at its option and in its discretion, to repair, refurbish or otherwise prepare the Collateral for sale, lease or other use or disposition as herein authorized. To the extent permitted by law, Debtor expressly waives any notice of sale or other disposition of the Collateral and any other rights or remedies of Debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of Secured Party existing after default hereunder; and to the extent any such notice is required and cannot be waived, Debtor agrees that if such notice is mailed, postage prepaid, to Debtor either at the street address first shown hereinabove or at the mailing address, if any, shown for Debtor at the beginning of this Security Agreement, at least five days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said notice.

Secured Party is expressly granted the right, at its option, to transfer at any time to itself or to its nominee the Collateral, or any part thereof, and to receive the monies, income, proceeds or benefits attributable or accruing thereto and to hold the same as security for the Obligations or to apply it on the principal and interest or other amounts owing on any of the Obligations, whether or not then due, in such order or manner as Secured Party may elect. Secured Party is expressly granted the rights, exercisable at its option at any time, whether before or after default, to take control of any proceeds and to notify account debtors, lessees, or obligors on any instrument to make all payments directly to Secured Party on any and all accounts, leases, or instruments constituting, at any time or from time to time, a part of the Collateral; and Debtor will, upon request of Secured Party, so notify all such account debtors, lessees or obligors.

All rights to marshalling of assets of Debtor, including any such right with respect to the Collateral, are hereby waived by Debtor.

All recitals in any instrument of assignment or any other instrument executed by Secured Party incident to sale, transfer, assignment, lease or other disposition or utilization of the Collateral or any part thereof hereunder shall be full proof of the matters stated therein and no other proof shall be requisite to establish full legal propriety of the sale or other action taken by Secured Party or of any fact, condition or thing incident thereto and all prerequisites of such sale or other action or of any fact, condition or thing incident thereto shall be presumed conclusively to have been performed or to have occurred.

Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. All expenses of retaking, holding, preparing for sale, lease or other use or disposition, selling, leasing or otherwise using or disposing of the Collateral and the like which are incurred or paid by Secured Party as authorized or permitted hereunder, including also all attorney's fees, legal expenses and costs, shall be added to the Obligations and Debtor shall be liable therefor.

The right of Secured Party to take possession or control of the Collateral upon the happening of any of the events or conditions constituting a default may be exercised without resort to any court proceeding or judicial process whatever and without any hearing whatever thereon; and, in this connection, **DEBTOR EXPRESSLY WAIVES ANY CONSTITUTIONAL RIGHTS OF DEBTOR WITH REGARD TO NOTICE, ANY JUDICIAL PROCESS OR ANY HEARING PRIOR TO THE EXERCISE OF THE RIGHT OF SECURED PARTY TO TAKE POSSESSION OR CONTROL OF THE COLLATERAL UPON THE HAPPENING OF ANY OF THE EVENTS OR CONDITIONS CONSTITUTING A DEFAULT.**

VI. General

The execution and delivery of this Security Agreement in no manner shall impair or affect any other security (by endorsement or otherwise) for the payment of the Obligations and no security taken hereafter as security for payment of any part or all of the Obligations shall impair in any manner or affect this Security Agreement, all such present and future additional security to be considered as cumulative security. Any of the Collateral may be released from this Security Agreement without altering, varying or diminishing in any way the force, effect, lien, security interest or charge of this Security Agreement as to the Collateral not expressly released, and this Security Agreement shall continue as a first lien, security interest and charge on all of the Collateral not expressly released until all sums and indebtedness secured hereby have been paid in full. Any future assignment or attempted assignment or transfer of the interest of Debtor in and to any of the Collateral shall not deprive Secured Party of the right to sell or otherwise dispose of or utilize all of the Collateral as above provided or necessitate the sale or disposition thereof in parcels or in severalty.

This Security Agreement shall not be construed as relieving Debtor from full personal liability on the Obligations and any and all future and other indebtedness secured hereby and for any deficiency thereon.

If maturity of the Obligations shall be accelerated for any reason, the full amount of any interest then unearned which has been collected theretofore by or for Secured Party shall thereupon be credited against the Obligations. Notwithstanding any other provision in this Security Agreement or in the Obligations or any of them, Debtor shall never be liable for unearned interest on the Obligations, or on any of them, and shall fur-

ther never be required to pay interest on the Obligations, or on any of them, at a rate in excess of the maximum percentage rate authorized and allowed by applicable law. To the extent permitted by applicable law, and only to that extent, the provisions of this paragraph shall have no application to a premium or bonus payable upon any voluntary anticipation of payment by Debtor on the Obligations or any part thereof. The intent of the parties being to conform and comply fully with all laws concerning usury applicable hereto or to the Obligations or any of them, any agreement concerning interest in any of the foregoing shall be subject to reduction to the amount allowed under the applicable laws with respect to usury, as now or hereafter construed by the courts with jurisdiction thereof, and any interest collected in excess of the amount authorized and permitted by such laws shall be refunded to the person paying the same, or credited against the Obligations.

Any deposit, deposit account, certificate of indebtedness or any other sums at any time credited by or due from the holder of the Obligations to Debtor or any endorser, guarantor or surety of any of the Obligations and any securities or other property of Debtor or any endorser, guarantor or surety of any of the Obligations in the possession of the holder of the Obligations may at all times be held and treated as additional and cumulative collateral security for the payment of the Obligations, and Debtor grants Secured Party a security interest in all such deposits, sums, securities and other properties as additional and cumulative security for payment of the Obligations. The holder of the Obligations may apply or set-off such deposits or other sums against the Obligations at any time in the case of Debtor but only with respect to matured liabilities in case of the endorsers, guarantors, or sureties of any of the Obligations.

Secured Party may, at its option, whether or not the Obligations are due, demand, sue for, collect or make any compromise or settlement it deems desirable with reference to the Collateral. Secured Party shall not be obligated to take any steps necessary to preserve any rights in the Collateral against other parties, which Debtor hereby assumes to do.

No delay or omission on the part of Secured Party in exercising any right hereunder shall operate as a waiver of any such right or any other right. A waiver on any one or more occasions shall not be construed as a bar to or waiver of any right or remedy on any future occasion.

Any notice or demand to Debtor hereunder or in connection herewith may be given and shall conclusively be deemed and considered to have been given and received upon the deposit thereof, in writing, in the U.S. Mails, duly stamped and addressed to Debtor either at the street address first shown hereinabove or at the mailing address, if any, given for Debtor at the beginning of this Security Agreement; but actual notice to Debtor, however given or received, shall always be effective.

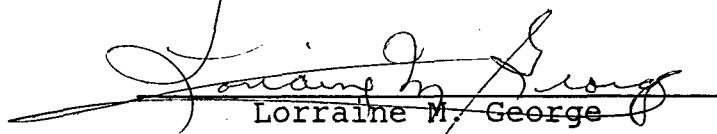
All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of Debtor shall bind his heirs, executors, or administrators, and his or its successors or assigns. If there be more than one Debtor, their obligations hereunder shall be joint and several.

Each term used in this Security Agreement, unless the context otherwise requires and in all events subject to any express definitions set forth in this Security Agreement, shall be deemed to have the same meaning herein as that given each such term under the Uniform Commercial Code, as adopted and as amended in the State of Texas. As used in this Security Agreement, and when required by the context, each number (singular and plural) shall include all numbers, and each gender shall include all genders; and unless the context otherwise requires, the word "person" shall include "corporation, firm or association".

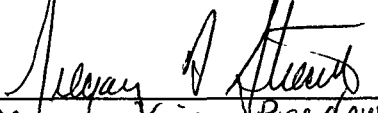
The law governing this secured transaction shall be that of the State of Texas existing as of the date hereof and to the extent applicable, federal laws, provided that if any additional rights or remedies are hereafter granted to secured parties by the law of Texas or the United States of America, Secured Party shall also have and may exercise any such additional rights or remedies.

Secured Party shall have the right to inspect during reasonable business hours the books and records of Debtor relating to the Collateral, and Debtor shall furnish from time to time, as reasonably requested by Secured Party, the financial statements of Debtor prepared in accordance with generally accepted accounting principles. Further, Debtor shall furnish Secured Party with true and correct copies of (i) the Management Agreement constituting a part of the Collateral and any and all amendments, modifications or replacements thereto or thereof, (ii) a bill of sale transferring the above-referenced tank car and title thereto in favor of the Debtor, and (iii) all leases affecting the Collateral and any and all amendments, modifications or replacements thereto or therefor; provided, however, no material amendment or modification may be made to any such Management Agreement or lease without the prior written consent of Secured Party.

Signed in multiple original counterparts and delivered on the day and year first above written.


Lorraine M. George

BANK OF THE SOUTHWEST NATIONAL
ASSOCIATION, HOUSTON

By 
Title: Vice President

THE STATE OF TEXAS |
 |
COUNTY OF HARRIS |

BEFORE ME, the undersigned authority, on this day personally appeared LORRAINE M. GEORGE, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed.

GIVEN under my hand and seal of office this 16th
day of June, 1983.

Debbie Salagosa
DEBBIE SALAGOSA
Notary Public in and
for the State of Texas

My commission expires:

2-6-85

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority, on this day personally appeared GREGORY A. STUART, Vice President of Bank of the Southwest National Association, Houston, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed, in the capacity therein stated, and as the act and deed of said Bank of the Southwest National Association, Houston.

GIVEN under my hand and seal of office this 16th
day of June, 1983.

Debbie Salagosa
DEBBIE SALAGOSA
Notary Public in and
for the State of Texas

My commission expires:

2-6-85